

Message Text

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21

ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 NEA-09 IO-10 H-02 L-02 PA-01

PRS-01 USIA-06 SP-02 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-01 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /096 W
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R 250822Z MAR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 1640

INFO AMEMBASSY KUALA LUMPUR

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USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 6/25/75

TAGS: EAID, EFIN, MY

SUBJECT: SABAH ELECTRICITY SUPPLY PROJECT

SUMMARY: ADB MANAGEMENT RECOMMENDS BOARD OF DIRECTORS APPROVAL TO BORROWER'S REQUEST TO MODIFY ORIGINALLY APPRAISED SABAH ELECTRICITY SUPPLY PROJECT. MODIFICATION WILL BE CONSIDERED APPROVED IF NO OBJECTION OR REQUEST FOR DISCUSSION IS MADE BY APRIL 19, 1975. USADB DOES NOT PROPOSE TO OBJECT. END SUMMARY.

1. ON JULY 31, 1973, ADB BOARD OF DIRECTORS APPROVED \$9.8 MILLION LOAN FOR SABAH ELECTRICITY SUPPLY PROJECT PROVIDING FOR EXTENSION OF DIESEL POWER STATIONS IN EACH OF THREE PRINCIPAL LOAD CENTERS OF KOTA KINABALU, SANDAKAN AND LABUAN. PLAN WAS TO INSTALL TWO 7.5 MW DIESEL
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SETS IN KOTA KINABALU, ONE 5.0 MW AND ONE 7.5 MW

SETS IN SANDAKAN AND TWO 5.0 MW SETS IN LABUAN.
CONTRACTS FOR ALL BUT 7.5 MW SET EARMARKED FOR
SANDAKAN WERE AWARDED IN JUNE 1974.

2. IN VIEW REDUCED GROWTH OF POWER DEMAND IN
SANDAKAN THAN PREVIOUSLY PROJECTED AND MUCH MORE
THAN ANTICIPATED GROWTH OF POWER DEMAND IN KOTA
KINABALU (MAINLY REFLECTING DISCOVERY OF OFFSHORE
OIL AND RESULTING EXPANSION OF SABAH'S CAPITAL),
BORROWER HAS REQUESTED PROJECT MODIFICATION TO
INSTALL 7.5 MW DIESEL SET IN KOTA KINABALU
INSTEAD OF SANDAKAN. LESS URGENT EXTENSION OF
SANDAKAN POWER STATION WOULD BE FINANCED BY
BORROWER WITH OWN FUNDS. BANK CONSIDERS PROPOSAL
TO BE TECHNICALLY SOUND, AND ORIGINAL ECONOMIC
EVALUATION IS NOT AFFECTED BY PROPOSED
MODIFICATION SINCE BENEFITS WERE NOT ATTRIBUTED
TO INDIVIDUAL DIESEL SETS OR POWER STATIONS.

3. ADB PRESIDENT RECOMMENDS THAT BOARD OF
DIRECTORS APPROVE REQUESTED MODIFICATION.
RECOMMENDATION WILL BE CONSIDERED APPROVED IF
NO OBJECTION OR REQUEST FOR DISCUSSION IS MADE
BY APRIL 10, 1975. USADB DOES NOT PROPOSE TO OBJECT.

4. ADB DOC. R25-75 ON THIS SUBJECT POUCHED
ADDRESSEES MARCH 25.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, DEVELOPMENT BANKS, DEVELOPMENT LOANS
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Draft Date: 25 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: RowellE0
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: EAID, EFIN, MY, ADB-1, SABAH
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006